

Hazardous Waste Generation Fees Report

For the Period from July 1, 2004 to June 30, 2005

I. Introduction

When the General Assembly passed the budget for fiscal year 2003, they included a line item requiring that the Rhode Island Department of Environmental Management (“the Department”) develop and implement a fee for hazardous waste generation. The Department worked with a stakeholder group, which was comprised of small and large quantity generators, industry associations, transporters, consultants, attorneys and environmental groups. Initially, the Department proposed a flat fee structure for the generators, however, feedback from the stakeholder group indicated that a unit price per pound or gallon was more favorable. In addition, the stakeholder group preferred that the transporters collect the fees from generators and in turn pay the fees to the Department. This would be less burdensome for the generators and several other states already have this type of program in place.

As of January 1, 2003, the Department of Environmental Management required that transporters collect from Rhode Island generators a fee of 2 cents per pound (or 16 cents per gallon) for waste transported on a hazardous waste manifest. In order to implement this fee, the *Rules and Regulations for Hazardous Waste Management* (“the Regulations”) were amended with input from the stakeholder group. The Hazardous Waste Generation Fee was established in order to raise \$890,000 for the funding of programs within the Office of Waste Management that the State has established to protect the environment and prevent pollution. A portion of the monies would be set aside to create a contingency fund for site remediation projects that are an imminent threat to human health and the environment and lack a responsible party.

Several members of the stakeholder group expressed concern that the fees and the way they are collected should be subjected to public scrutiny and reviewed on an annual basis. With this concern in mind, the Department added the following provision to the Regulations and this document was created to satisfy said requirement.

6.18 ***Evaluation of the Fees and Report:** Each year the Department shall produce a written report of its evaluation of total fees collected during the past fiscal year (beginning July 1 and ending June 30). The Department shall produce the written evaluation within ninety (90) days of the close of the fiscal year and make the evaluation available to the public. The Department shall accept written comments on the report for a period of ninety (90) days following its release. After the close of the ninety (90) day comment period the Department will conduct a meeting to discuss the written comments that are received.*

II. Fees Collected

The State of Rhode Island’s fiscal year begins on July 1st and ends June 30th of each year. The total Hazardous Waste Generation Fees that were collected from transporters from July 1, 2004 until June 30, 2005 was **\$1,040,466.21**

When RIDEM initiated this fee, the goal was \$890,000 per year. The fees collected are equivalent to 117% of the goal.

The breakdown of the wastes are as follows:

Waste Code	Approx. quantity (millions of lbs)	% of Total
D Characteristic Waste	27	51
F Listed Waste	5	10
P listed wastes	0.3	1
Rhode Island (state only) Hazardous Waste	1	3
Mass Waste (incl. MA99, may include some RI wastes)	8	16
CT Waste (may include some RI wastes)	4	8
Other Wastes	6	11

These numbers are based on the assumption that wastes reported as gallons (and other volumes) had a density of 8 lbs/gallon. Waste codes are based on first waste code listed in the manifest report, therefore some waste codes, especially RI waste codes may be slightly underestimated due to the tendency to list CT and MA codes first (and sometimes to omit RI waste codes).

III. Projected Future Fee Collections

As of 14 September 2005, the regulations were amended to change the fee structure for hazardous wastes. A decision was made to exempt non-hazardous waste that is required to be on a manifest by the destination state from the hazardous waste fee. It is believed that most of the waste that is not hazardous will fall into this category. To keep the program on target with the \$890,000/ year goal, the fees were increased from 2.0 cents per pound to 2.3 cents per pound. This was based on calculations from the 2003-4 fiscal year.

If we assume the monies collected in the 2004-5 fiscal year (\$1,040,466) represents 52 million pounds (as listed above), and we assume the new exemption from the fee for non-hazardous waste required to be on a manifest will exempt approximately 31% of wastes, we would project future waste streams subject to the fee would represent 36 million pounds. At 0.23 cents per pound (the new rate) this would yield \$825,000 in revenue, roughly on target with the \$890,000 goal. It has been our experience that some Rhode Island wastes codes are sometimes omitted for Rhode Island wastes. Therefore it is our belief that some of the blank, other, CR and MA codes may be for wastes still subject to the fee. For this reason we believe the \$825,000 estimate is low and that the fee will stay consistent with the goal, provided waste generation is relatively stable.

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II. Fees Collected

The State of Rhode Island's fiscal year begins on July 1st and ends June 30th of each year. For fiscal year 2003, the Department was able to only collect Hazardous Waste Generation Fees beginning January 1, 2003 due to the time needed to revise and promulgate the Hazardous Waste Regulations. As of June 30, 2004, the total Hazardous Waste Generation Fees that were collected from transporters from July 1, 2003 until June 30, 2004 was **928,696.90**.

Reporting Month	Fees Collected Each Month
July 03	58,558.00
August 03	174,137.16
September 03	58,383.01
October 03	83,238.34
November 03	79,883.40
December 03	79,955.39
January 04	50,554.26
February 04	41,212.37
March 04	53,485.19
April 04	51,959.96
May 04	94,303.61
June 04	103,025.31
Total	\$928,696.90

When RIDEM initiated this fee, the goal was \$890,000 per year.

III. Waste Codes

Analysis of waste reports for the months of July 2003 through March 2004 show the following waste codes that are primarily listed on manifests and their respective percentage by weight for the total waste generated in Rhode Island.

Code	% of waste by weight
D characteristic wastes (i.e. D001)	39%
MA Wastes (i.e. MA99, MA01)	20%
F listed wastes (i.e. F002)	14%
NA and Non-Hazardous Waste	13%
CR Wastes (CR04, CR02)	9%
RI Hazardous Waste (i.e. R002)	4%
Other Wastes	1%

The figures above are based on the first waste code in the database, and do not take into account when wastes have multiple waste codes (a waste with a designation of MA99, R010 would be counted as MA).